

## AMENDMENTS TO THE CLAIMS

1. (currently amended) A computer implemented method for ~~transforming the existing practice of~~ selecting investments from within an asset-class population of book-valued investments from processes based on differences found in investment performance among the members of that population for a prior evaluation time period to a process that selects investments from within an asset-class population of book-valued investments based on the characteristic differences found in investment performance among the members of that population for a plurality of time periods immediately following a plurality of prior evaluation time periods and reflective of the outcome of selecting for those member investments from the analysis of the distribution of investment performance of that member population generated in those prior evaluation periods, that when plotted on a mean-variance graph of that performance distribution, ~~and~~ results in the identification of a contiguous grouping of investments resident at a specific and consistent location within that distribution of investment performance that asset class population throughout the plurality of evaluation periods whose future relative investment performance for the plurality of a subsequent selection period is found to be consistently superior to the average investment performance for the asset-class for those subsequent selection time periods, comprising the steps of:

acquiring, via the computer, and storing in a storage device of a computer, as a data-record, the measurement of periodic investment returns for each member of an

asset-class population for an analysis period comprised of a plurality of contiguous evaluation and selection time periods;

verifying, via the computer, the adequacy of the data acquired in that it produces an analysis period of a length of time to comprise a plurality of contiguous evaluation and selection time periods inclusive of at least one full market cycle;

defining, via the computer, the evaluation time periods and the selection time periods of the analysis period to be of equal length, co-continuous and of longer length than that of the period chosen for the calculation of periodic returns;

calculating, via the computer, and appending to the data-record, stored in the storage device, for each asset-class population member the measurements of the average and standard deviation of periodic returns, as derived from the data of periodic returns ~~and formulated under the tenets of existing industry practice~~ for each evaluation and selection period;

calculating, via the computer, and appending to the data-record, stored in the storage device, of each asset-class population member the measurements of population-averages for the average and standard deviation of periodic returns of the members of the asset-class for each evaluation and selection period;

calculating, via the computer, and appending to the data-record, stored in the storage device, of each asset-class population member the measurements of market and differential returns; ~~[[,]] the market return formulated under existing industry practices~~ as the average of average returns for the asset-class population at the point of standard deviation of periodic returns for the population member and the differential

return formulated ~~under existing industry practices~~ as the difference between the member's average return and the average of average returns for the asset-class population at the point of standard deviation of periodic returns for the population member, as plotted as the vertical difference between the two points on its means-variance graph, for each selection period;

calculating, via the computer, and appending to the data-record, stored in the storage device, of each asset-class population member the measurement of standard differential return for each selection period, as its normalized value when calculated relative to the distribution characteristics of its asset-class population for that selection period, as formulated as the ~~under existing industry practices for calculating a~~ measurement of a standard normal cumulative distribution;

plotting, via the computer, the distribution of investment performance for the asset-class population of each evaluation period within the analysis period as the measurements of the average and standard deviation of periodic investment returns for each member of that asset-class population on a mean-variance graph and retaining the record of points of that distribution using the computer;

bisecting the investment performance distribution of ~~the~~ each evaluation period asset class populations into two halves, via the computer, by a division line formulated as a straight line of equal slope for each population as plotted on its mean-variance graph, through a point of population-average for the standard deviation of periodic returns and appending an identifier to the data-record of each evaluation period asset-

class population member, via the computer, that references referencing their inclusion into one of the bisected halves on the plotted graph;

calculating, via the computer, and appending to the data-record, stored in the storage device, for each evaluation period asset-class population member the measurement of the average of standardized differential returns for the population of each bisected-half for each selection period subsequent to and immediately following each evaluation period;

calculating, via the computer, the correlation coefficient of the average standardized differential return between each bisected-half for the plurality of evaluation periods;

determining, via the computer, and storing as a data-record in the storage device, the characteristic correlation-axis for the asset class population as the slope of the bisection through the point of population-average for the standard deviation of periodic returns for the plurality of evaluation periods that produces the lowest correlation coefficient of the average standardized differential return between each bisected half for the plurality of evaluation periods;

bisecting, via the computer, the investment performance distribution of the evaluation period asset class population into two halves by a division line formulated as a straight line of equal slope for each population as plotted on its mean-variance graph, through a point of population-average for average return and appending an identifier to the data-record of each evaluation period asset-class population member referencing their inclusion into one of the bisected halves;

calculating, via the computer, and appending to the data-record in the storage device, of each evaluation period asset-class population member the measurement of the average of standardized differential returns for the population of each bisected-half for each selection period subsequent to and immediately following each evaluation period for each evaluation period;

determining, via the computer, and storing as a data-record in the storage device the characteristic performance-axis for the asset class population as the slope of the bisection through the point of population-average for average return for the plurality of evaluation periods that produces the greatest difference of the average standardized differential return between each bisected-half for the plurality of evaluation periods;

calculating, via the computer, measurements of the average and standard deviation of periodic returns and population-averages of those average and standard deviation of periodic returns for the members of an asset class population formulated under the same criteria as the asset class populations of the analysis period and for an evaluation period of equal length and subsequent to the evaluation periods of that class for the analysis period;

plotting, via the computer, the distribution of investment performance for this asset-class population of an evaluation period subsequent to the analysis period as the measurements of the average and standard deviation of periodic investment returns for each member of that asset-class population on a mean-variance graph and retaining, via the computer, the record of points of that distribution in the storage device;

segmenting, via the computer, the performance distribution for this asset-class population of an evaluation period subsequent to the analysis period into quartiles ~~using and utilizing, as segmentation criteria~~, the measurements of characteristic correlation-axis and characteristic performance-axis found for the asset-class populations of the analysis period;

appending, via the computer, to the data-record in the storage device, of each member of this asset-class population of an evaluation period subsequent to the analysis period a reference identifying their inclusion into one of the quartiles on the plotted graph for that evaluation period;

calculating, via the computer, averages of the average and standard deviation of periodic returns for the populations of each quartile group of this asset-class of an evaluation period subsequent to the analysis period; and

selecting, via the computer, for investment in a ~~subsequent~~ selection period immediately following the term of an ~~this~~ evaluation period and occurring subsequent to the analysis period those members within the quartile group that are present on the graph as identified within the evaluation periods of the analysis period as having the lowest average of the average and generating the highest average return for the lowest standard deviation of periodic returns for that evaluation the selection periods within that analysis period.

2. (currently amended) The method of Claim 1, wherein the step of calculating the slope of a division line as plotted on a mean-variance graph is determined, via the computer, by the formula:

$$[\text{slope}] = [\text{change in average return}] / [\text{change in standard deviation of return}]$$

3. (currently amended) The method of Claim 1, wherein the step of appending, via the computer, an identifier to the data-record in the storage device for each asset-class population member referencing their inclusion into one of the bisected halves for each evaluation period is further comprised of the step of determining modifying, via the computer, that identifier to include a reference as to whether the point of the average of periodic returns for the member is either greater than or less than the average of periodic returns for a point on the division line at the same level of standard deviation of periodic returns for an evaluation period.

4. (currently amended) The method of Claim 1, wherein the step of calculating, via the computer, the points of the average of periodic returns along a division line of the plotted graph used for bisecting the asset class population into two halves is determined by the following formula:

$$[\text{division-line return}] = [\text{market-return}] - ((([\text{market-return}] - [\text{population average of the average of periodic returns}]) * \text{constant}\{K\})$$

5. (currently amended) The method of Claim 1, wherein the step of segmenting, via the computer, the performance distribution as plotted on a mean-variance graph for this asset-class population of an evaluation period subsequent to the analysis period into quartiles using the measurements of characteristic correlation-axis and

characteristic performance-axis found for the asset-class populations of the analysis period is further comprises the step of:

determining, via the computer, the characteristic correlation-axis for an evaluation period asset class population as a division line of infinitive slope bisecting the performance distribution of the asset class population through the point of population-average for the standard deviation of periodic returns; and

determining, via the computer, the characteristic performance-axis for an evaluation period asset class population as a division line of zero slope bisecting the performance distribution of the asset class population through the point of population-average for the average of periodic returns.

Claim 6-19 (canceled)